

STATEMENT OF  
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VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO  
H.R. 1291--THE 21<sup>ST</sup> CENTURY MONTGOMERY GI BILL ENHANCEMENT ACT

10:00 A.M.  
Thursday May 24, 2001

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the 2.7 million members of the Veterans of Foreign Wars and our Ladies Auxiliary, I would like to express our appreciation for the opportunity to participate in today's hearing on H.R. 1291, *The 21<sup>st</sup> Century Montgomery GI Bill Enhancement Act*. This legislation would amend Title 38 United States Code by increasing the amount of educational benefits available for veterans under the Montgomery GI Bill (MGIB).

Mr. Chairman, for today's testimony you requested that we provide our views on H.R. 1291. To start with, I am pleased to convey the strong support of the VFW. I also wish to recognize the efforts of this committee and the Budget committee in securing early funding for this most important legislation. We believe it is a major step towards restoring the purchasing power the MGIB had during its early years.

It is our understanding that this legislation would, over a three-year period, increase the monthly benefit for MGIB users, who are enrolled full-time in college and who have an initial service obligation of four years, from the FY 2001 level of \$650 to \$1,100 by FY 2004. Correspondingly, over the same three-year period, MGIB users who are enrolled in college full-time and whose initial service obligation is less than three years can expect an increase in monthly benefits to \$650 in FY 2002, with additional increases each fiscal year for a total of \$894 by FY 2004. Additionally, H.R. 1291 also stipulates that adjustments in the rates of educational assistance based on the consumer price index shall not be paid during fiscal years 2002, 2003, and 2004. If enacted, this measure would

provide for an increase in basic educational assistance of nearly 70 percent by the third year and would raise the total dollar value of the GI Bill from its current level of \$23,400 to \$39,600 by FY 2004.

Based on data supplied by the College Board and published in *Trends in College Pricing*, the average cost of attending a four-year public college, including tuition, books, fees and room and board, is \$9,229 for a commuter student and \$11,338 for students who live on campus. Four-year private institutions cost \$21,704 and \$24,946 respectively. With the present basic yearly MGIB benefit of \$5,850, it is clear that a sizeable disparity exists. Provided this information, it is obvious that this legislation will begin the needed process of reducing the gap that now exists between what the GI Bill pays toward expenses and the out-of-pocket costs, such as student loans, that must be paid by the veteran attending a four-year college.

The widening gap between what the GI Bill pays and the actual cost of college directly impacts the program's usage rate. According to the Department of Veterans Affairs the usage rate is only 55%. That means that a young private who paid out \$100 of his net pay for 12 months is not taking advantage of his GI Bill entitlement because he or she cannot afford the out-of-pocket expenses associated with a college education. It is our belief that as the GI Bill benefit increases; usage will also increase, contributing to the program's overall success as a recruiting and retention tool for the armed forces.

The VFW embraces H.R. 1291 and sees it as bringing the GI Bill program one step closer to a true WWII like GI Bill--a GI Bill that would pay full tuition, fees and a monthly stipend to any university that the participant is accepted.

This concludes my testimony and I would be happy to answer any questions you or the members of this subcommittee may have.